REMARKS

Favorable reconsideration of this application is respectfully requested.

The specification is amended by the present response to address the objections to the drawings. Specifically, in the Office Action several reference characters were noted as shown in the drawings but not mentioned in the specification. By the present amendment the specification is amended to recite those reference characters. The changes made to the specification are not believed to raise any issues of new matter. Specifically, the claimed reference numerals are supported by the drawings, which form part of the original specification, and by corresponding elements throughout the different embodiments. The amendments to the specification are believed to address the outstanding objections to the drawings noted in the Office Action.

Claim 28 is also amended by the present response to correct an informality therein, without narrowing that claim in any aspect or raising any new issues.

Claims 27-28 are pending in this application. Claims 27 and 28 were rejected under 35 U.S.C. §103(a) as unpatentable over U.S. patent 5,703,966 to <u>Astle</u> in view of U.S. patent 6,415,055 to <u>Kato</u>. That rejection is traversed by the present response as discussed next.

Applicants respectfully submit no combination of teachings of <u>Astle</u> in view of <u>Kato</u> meets each limitation recited in the claims. Specifically, applicants respectfully submit <u>Astle</u> in view of <u>Kato</u> does not disclose or suggest:

wherein the received predictive mode information includes a first flag indicating a single prediction using the specific reference frame or a composite prediction using a plurality of reference frames and a second flag indicating whether the composite prediction is a prediction based on an average value of a plurality of reference macroblocks or the linear extrapolation prediction or linear interpolation prediction, the second flag being received as header data of an encoded frame or part of header data of a plurality of encoded frames. [Emphasis added]

The outstanding rejection recognizes that <u>Astle</u> does not disclose or suggest the above-noted features but cites <u>Kato</u> to meet the above-noted claim features. The outstanding Office Action specifically states:

It is noted that Astle does not disclose details including first and second flags. However, the use of flags to indicate coding modes was common and notoriously well known in the art at the time of the invention, as an example Kato discloses transmitting a motion compensation mode 'flag' and an error flag to indicate using either a specific reference, or a bidirectional average (Kato col. 21 line 1 to col. 22 line 5). It is therefore considered obvious that one of ordinary skill in the art at the time of the invention would have recognized the advantage of using flags to indicate the encoding mode in Astle as was well known in the art, in order to communicate the coding mode in a manner that requires little computation to decode. I

In reply to the above-noted grounds for rejection, applicants respectfully submit the claimed features are not being fully considered. That is, the claims do not recite using flags to indicate coding modes, but recite more specific features of the first and second flags.

The claimed invention provides a decoding method and apparatus of decoding motion compensated prediction inter-frame encoded data, in which the received predictive mode information includes (1) a first flag indicating a single prediction using the specific reference frame or a composite prediction using a plurality of reference flags and (2) a second flag indicating whether the composite prediction is based on an average value of a plurality of reference macroblocks or the linear extrapolation prediction or the linear interpolation prediction. In other words, the predictive mode information includes (1) a first flag indicating a single prediction using one reference frame or a composite prediction using plural reference frames, and (2) a second flag indicating an average prediction or a linear interpolation or extrapolation prediction.

¹ Office Action of December 27, 2006, middle of page 4.

<u>Kato</u> uses an error flag, but the error flag bears no relation to the claimed first and second flags. The mere disclosure of an error flag in <u>Kato</u> does not indicate a flag operating the same way as the claimed first and second flags.

In further detail, <u>Kato</u> discloses a technique such that in the variable length decoding circuit 85, the motion compensation mode information and motion vector information for error correction are generated by use of the forward motion vector information, the backward motion vector information, and the motion compensation mode information that have been stored in a internal memory of the variable length decoding circuit 82, as discussed in <u>Kato</u> at column 21, lines 1-7. Thereby, in <u>Kato</u> when the picture coding type information indicates an I-picture, the error flag is set to "1", and when the picture coding type information indicates a P-picture, the error flag is set to "0" and when the picture coding type information indicates a B-picture, the error flag is again set to "0", (see <u>Kato</u> at column 21, lines 18-46). In other words, <u>Kato</u> discloses a technique related to error concealment, i.e. an operation at the time of detecting an error in the decoder.

Thereby, <u>Kato</u> describes using an error flag, but the error flags do not correspond to the claimed first and second flags. The claimed first flag indicates a single prediction using one reference or a composite prediction using plural reference frames, and the claimed second flag indicates an average prediction or a linear interpolation or an extrapolation prediction. The error flags in <u>Kato</u> do not correspond to such first and second claimed flags.

The outstanding rejection does not appear to be fully considering all of the claimed features as the outstanding rejection appears to be based on the claims reciting an error flag, when the claims recite more specific first and second flags as noted above.

In such ways the claims as written are believed to clearly distinguish over <u>Astle</u> in view of <u>Kato</u>.

Application No. 10/665,001 Reply to Office Action of December 27, 2006.

As no other issues are pending in this application, it is respectfully submitted that the present application is now in condition for allowance, and it is hereby respectfully requested that this case be passed to issue.

Respectfully submitted,

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